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# Mobility in Property & Casualty Insurance Industry

## A Newgen Perspective

*Large scale adoption of mobility in the global insurance industry is an inevitable development for keeping pace with the ever increasing demand for real-time customer service*

# Executive Summary

Information in the insurance world has never been so dynamic and fluid in nature as it is today. It traverses through multiple channels and undergoes rapid transformations, requiring a structured process framework to manage the dynamics of our current market.

Mobility has emerged as a global phenomenon with leading analysts predicting it to be amongst the top three technology investments for CIOs across industries. The advancements in wireless technology including fail safe connectivity, enhanced functionality, and increased availability has led to the evolution of mobile as a preferred operational and transactional medium for people across the globe.

The Property and Casualty (P&C) insurance industry is facing unprecedented challenges in the form of stringent regulatory

mandates, rapidly changing market conditions, growing consumerism, and stiffening competition. Insurers are looking for ways to create sustainable competitive advantage by identifying service level differentiators and operational enablers. However, with market players waging a constant price war, they cannot afford to go cost heavy in their technology or infrastructure investments.

Mobile technology offers insurers opportunities to expand their market share by meeting evolving customer needs while reducing operational costs through process efficiencies. It adds significant value across the insurance value chain through seamless information transfers and real-time customer communication channels. From self-service apps that allow customers to initiate a claim from the accident site, to smart phones and tablets that connect on-the-go claim adjusters with back-office

systems, mobile solutions are beginning to play a key role in improving all aspects of the P&C insurance industry.

This enterprise wide change will not be without roadblocks, some of which will be accounted for, while most will be unforeseen and unplanned. From data security issues to technological complexities arising due to extended operational frameworks, organizations will have to be ready with a robust information security plan to combat all challenges. Insurers with limited IT capabilities can partner with service providers who are domain experts and have solutions that work across a heterogeneous collaboration environment.

Mobility is sure to become an integral part of business transformation for the P&C insurance industry and insurers must ride this wave to become market leaders.

## Rise of the Mobile Age

The Mobile industry is seeing phenomenal growth across the globe. A strong reason cited for the sudden upsurge of mobile adoption is the global demographic shift to a new generation of highly tech savvy customers who prefer to use the latest technology for their day-to-day transactions. Almost half the population on earth today uses mobile communications and given the smart technological innovations and rapidly falling price points, user acceptance is set to reach new heights. According to the Ericsson Mobility Report7[1], the total mobile subscriber base is set to reach the 9 billion mark by 2019.
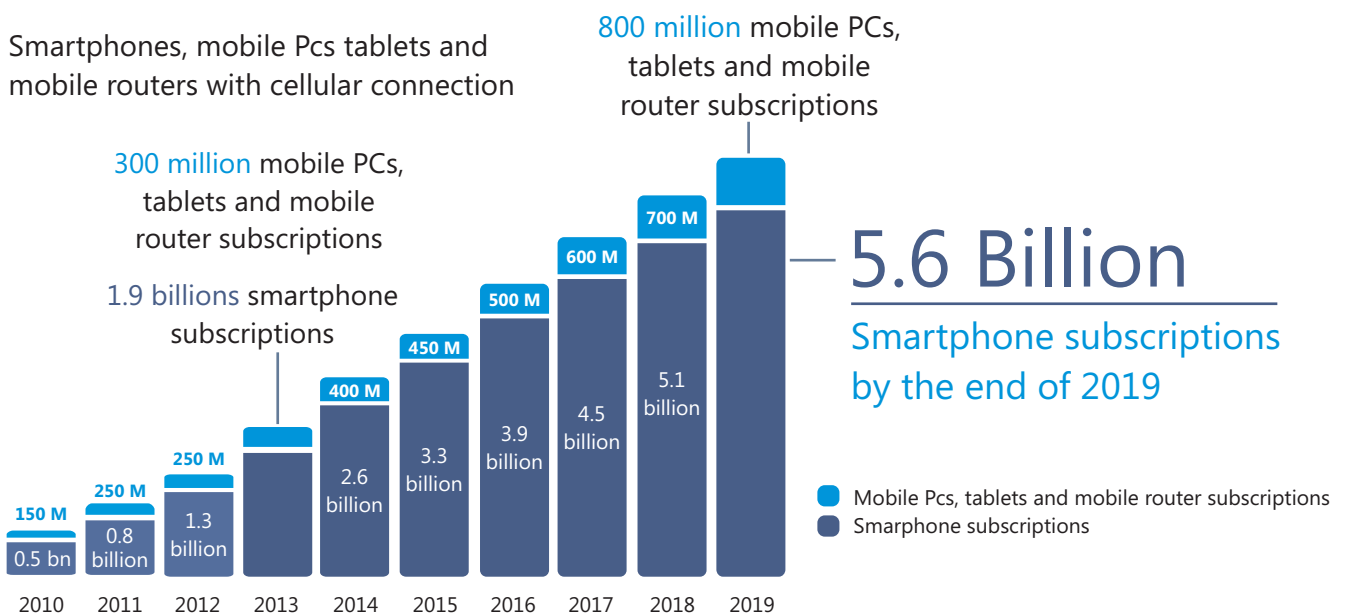
Another astounding development has been the dramatic shift towards customer comfort and reliance on Smartphones and Tablets. The

Smartphone market has grown at a frenetic pace and consequently, the time spent by people on their Smartphones is higher than ever. Today, a US consumer spends an average of 2 hours 38 minutes every day on a Smartphone.

Over the last few years, organizations have leveraged this innovative platform to reach out to their customers in a focused and non-intrusive manner. Customers have also shown their preference to engage more frequently on their mobile phones. The time has come for enterprises across industries to use mobility for identifying operational accelerators that not only improve customer satisfaction but also create faster and more agile business processes.

Smartphones and Tablets have transformed into information management systems packed with advanced features such as large touch-screen displays, faster multi-core processors, enhanced storage capacities, advanced imaging and location awareness. These advanced mobile handheld devices are all set to play a major role in supporting applications for internal and external stakeholder collaboration.

*Smartphones are changing the mobile landscape radically by redefining communication and collaboration capabilities globally*

Smartphones, mobile Pcs tablets and mobile routers with cellular connection

800 million mobile PCs, tablets and mobile router subscriptions

300 million mobile PCs, tablets and mobile router subscriptions

1.9 billions smartphone subscriptions

| Year | Mobile Pcs, tablets and mobile router subscriptions | Smartphone subscriptions |
|------|------|------|
| 2010 | 150 M | 0.5 bn |
| 2011 | 250 M | 0.8 billion |
| 2012 | 250 M | 1.3 billion |
| 2013 | | 2.6 billion |
| 2014 | 400 M | 2.6 billion |
| 2015 | 450 M | 3.3 billion |
| 2016 | 500 M | 3.9 billion |
| 2017 | 600 M | 4.5 billion |
| 2018 | 700 M | 5.1 billion |
| 2019 | | |

## 5.6 Billion

Smartphone subscriptions by the end of 2019

● Mobile Pcs, tablets and mobile router subscriptions
● Smarphone subscriptions

[1] http://www.ericsson.com/res/docs/2013/ericsson-mobility-report-november-2013.pdf

# Factors driving mobile adoption in P&C Insurance Industry

In recent times, there has been a paradigm shift in the way P&C insurance industry operates. This can largely be attributed to rising regulatory pressures and commoditization of insurance products. The industry has been facing challenges from an extended period of low interest rates, weak investment incomes, and slow economic growth. The increasing impact of natural catastrophes, healthcare challenges, and changing demographics are also challenging the industry at all levels.

These challenges are affecting the business strategy of insurers by influencing their decision making process, marketing strategies, technology investments, and other key business functions. At the same time they present opportunities for growth and increased market competitiveness by exploring new and innovative distribution channels, enhanced customer services and optimized business processes. A carefully crafted mobile strategy with a holistic approach that takes into account customer needs and expectations, operational costs, security issues and regulatory mandates can help insurers overcome these challenges.

Mobile devices have become commonplace in the consumer's lifestyle. Research indicates that access to customer information, real-time alerts, performance dashboards, and transactional systems will soon be driven through mobile devices. The US insurance industry has also woken up to this fact and is seeking to leverage the power of mobility to address the highly differentiated needs of its customers.

**Rapidly expanding channel –** A majority of insurance customers will have access to Smartphones and Tablets in the near future. An e-marketer study predicts that more than half of all US mobile subscribers own a Smartphone. This has contributed to the emergence of mobile services as a key factor in the consumers' decision making process, with customers demanding increased sophistication in the way insurers reach out to, communicate with and serve them. Insurers will need to explore this service channel further and gain the early mover advantage in a highly competitive business environment.

**Increasing Process Complexity –** Rising regulatory reforms, higher number of hand-offs and multi-level manual interventions result in larger processing times for claims settlement. Compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act requires a comprehensive risk management strategy across core operations. The increase in frequency of natural catastrophes further complicates things. Mobile enabled applications can enhance process efficiency significantly with straight through workflows, minimizing errors due to manual intervention and reporting delays.

**Market Competitiveness –** Product differentiation is clearly not enough in a fiercely competitive market with customers demanding additional value added services. Mobility can act as a game changer for insurers by creating stand out personalized offerings. It not only helps them to attract and retain new customers but also gain new leads through social collaboration.

**Rising Operational Costs –** The high labor costs and indirect costs due to operational errors create a significant cost burden on insurers forcing them to charge customers high premiums. Mobility can offer convenient self-service tools that can bring down the overhead expenses significantly, while making operations more robust.

# Mobility as an Enabler across the Insurance Value Chain

| Product Development | Marketing | New Business | Account Mgmt. & Customer Service | Claims |
|---|---|---|---|---|
| • Apps for collaboration in product design<br>• Analytics for customer requirements identification | • Customized communications<br>• Promotional Notifications<br>• Social Collaboration | • Sales force empowerment<br>• Cusotmer need analysis<br>• Monitoring and reporting<br>• Faster policy issuance | • Cusotmer Self-service platform<br>• Customer training and coaching<br>• Automated notifications | • Claims filling<br>• Real-time status updates<br>• Semaless adjudication<br>• Compliance management |

Mobility has the potential to act as a strong growth driver for the insurance industry by transforming its key business processes. Insurers can develop and deploy mobile applications therefore creating significant business value across the entire value chain. The following are key areas where mobility will have an impact:-

**Product Development –** Applications built on mobile platforms enable seamless collaboration between key internal and external stakeholders. By providing real-time access to data aggregated from various sources, mobility has a transformational impact on product development, especially when it is combined with workflow and process design. It brings ground level market intelligence into the process through smart apps that enable customer requirements identification 'on the fly'. The anytime-anywhere access to work related processes and information, also improves the responsiveness and overall performance of product managers.

**Marketing –** Mobile has opened up a new and interactive channel for modern day enterprises to organize targeted promotional campaigns on a select base of prospects and customers. Since, mobile has emerged as the preferred communication channel for most customers, it makes sense for the insurer to deliver all promotional / informational messages on a mobile device. In addition, it also enables social collaboration by connecting with customers across various social media.

**New Business –** Field sales executives are the insurer's first point of contact with the customer and often make or break the deal through their conduct. Still, for many organizations, field service operations are the last frontier where enterprise information systems, workforce monitoring solutions and productivity tools lack effectiveness. Communication challenges, insufficient information and operational time lags are cited as the top reasons for under performance by most field agents.

Mobile technology can result in significant time savings and improve productivity for the insurer's field force. It facilitates seamless interactions between the field-sales staff, their offices, and their clients. With improved accuracy in information capture, it brings down operational expenses and creates process efficiency. It enables customer service representatives to access real time information, policy quotes, and new policy features using their mobile phones or tablets. Further, they can capture customer details, calculate premiums, collect payment details, and generate a policy instantly. Thus it empowers the insurer's field force across various stages of the sales lifecycle:-

Lead Management – Mobility enables dynamic lead management capabilities for the insurer's field force. They can carry out critical tasks involved in the prospecting stage while moving around in the field. Some of the key functionalities enabled through mobile technology include viewing assigned leads, searching leads, scheduling tasks, follow-ups, as well as viewing pending items, alerts and notifications

Customer Needs Analysis – Field agents need access to comprehensive information around individual profiles that can help them categorize prospects appropriately and make successful sales pitches. Depending on demographics, lifestyle, spend patterns, and future needs, mobile-enabled applications can suggest the right products for the customer

Application Login and tracking – Real-time application processing can significantly increase the conversion percentage for field agents by minimizing the time lag in the customer decision making process. Through mobile technology, application forms can be populated on a Mobile/Tablet, and sent online to the processing centre for quality checking and further processing with real time tracking of application status

Sales Toolkit – Often, field agents are required to provide detailed product related information to prospects. Mobile devices like Smartphones/Tablets give them

access to the latest product brochures, videos, and other marketing materials to help close the deal

Monitoring and Reporting – Field agents can use their mobile devices to send real-time MIS reports to their supervisors, ensuring complete process visibility and performance tracking from the insurer's head office. Using these reports, the team leads can easily gauge the workload of various agents and utilize dynamic work allocation to maximize efficiency

Typically, an insurer takes a few days to a few weeks to issue a policy to a customer. The entire process comprises of several steps, including premium calculation, document collection, issuance of payment receipt and cover note (in case of motor insurance), exception handling, transfer of documents from branch office to the central processing center, reference check, e-mail acknowledgement to the customer, and finally issuance of the policy document to the customer. Mobility can redefine customer experience by enabling insurers to issue policies in a matter of few minutes.

**Account Management & Customer Service -** Mobility offers a myriad of opportunities for insurers to provide on-demand services to their customer's on-the-fly. Insurers must now think beyond customized information services

and offer mobile-enabled transactional services to create superior customer experiences. Mobility can be leveraged to provide convenient customer self-service tools, enabling customers to access their account details, review policies, keep track of payment dates, make transactions, check service requests status, and file claims online, using their mobile phones or tablets. It can also be used to deliver various self tutorial applications to make customers much more aware and educated.

**Claims -** Claims Management is arguably the most important process in the insurance value chain. To retain and acquire customers in an increasingly competitive insurance landscape, organizations need to focus on making their customers claims experience completely hassle-free. Leveraging mobile technology across the claims resolution lifecycle of the P&C insurance industry not only enhances the customer services but also lowers the risk associated with the adjudication process, through simplified communications across all critical stages explained below:

First Notice of Loss (FNOL) - FNOL is the highest-value customer touch point and a critical stage for claims management that calls for utmost client care and a robust process framework to support real-time information flow. Mobile enabled capture and transfer of 'on the scene' information can
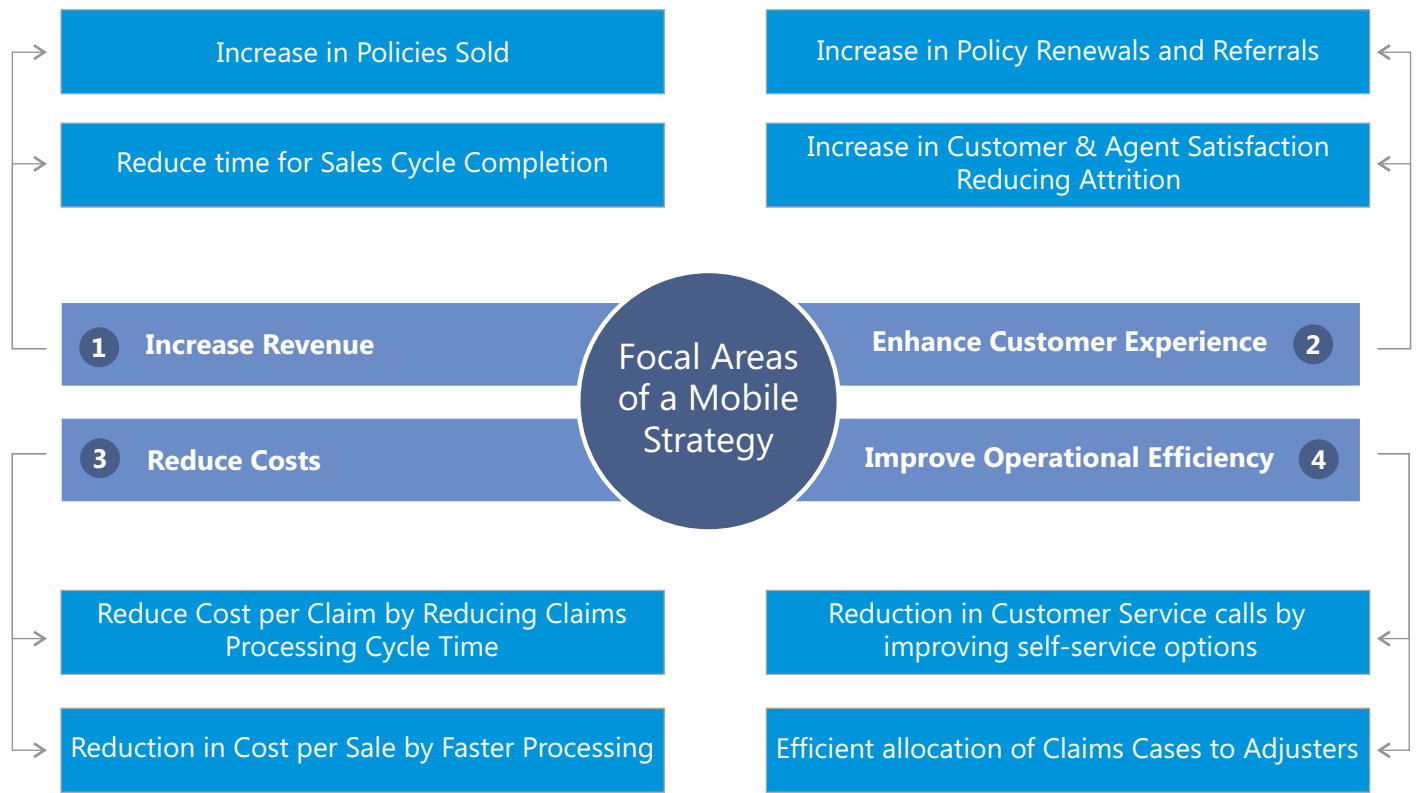
help insurers improve fraud detection and reduce claim settlement time and cost, leading to high customer satisfaction. With their mobile devices, customers can report the incident immediately to the insurance provider by capturing images of damages and critical case related documents (Drivers license, insurance card, license plate etc.). Customers can also record their own voice messages, or that of any eye witnesses for comprehensive narration of the incident.

Appraisals - Mobility driven appraisals ensure fast and accurate adjudication process through seamless capture and flow of critical information, leading to high customer satisfaction. It enables 'on the fly' case assignment to the right claims adjuster, improving his/her productivity through timely scheduling and anytime anywhere access to critical information.

Settlement - Customers need real-time status updates on their claims applications to feel confident about the credibility of the claims management process of the insurer. Mobile technology can provide them complete visibility across the entire process through real-time acknowledgements, notifications, additional information requirements, and final settlement on their mobile devices.

# Business Benefits through Mobility

Introducing mobile enabled innovation into key business processes not only creates enhanced customer experiences but also creates opportunities for insurers to attain profitability through tangible business benefits.

| | |
|---|---|
| Increase in Policies Sold | Increase in Policy Renewals and Referrals |
| Reduce time for Sales Cycle Completion | Increase in Customer & Agent Satisfaction Reducing Attrition |
| **1** Increase Revenue | **Focal Areas of a Mobile Strategy** | Enhance Customer Experience **2** |
| **3** Reduce Costs | | Improve Operational Efficiency **4** |
| Reduce Cost per Claim by Reducing Claims Processing Cycle Time | Reduction in Customer Service calls by improving self-service options |
| Reduction in Cost per Sale by Faster Processing | Efficient allocation of Claims Cases to Adjusters |

**Increased Sales Opportunities –** Mobile offers insurers a multi faceted sales channel that not only equips their field agents with tools for a better conversion rate but also reduces the sales cycle completion time to increase their productivity.

**Reduced Costs –** Operational complexities have always created an unnecessary cost burden on insurers, proving to be the biggest hurdle in their bid to remain competitive. Smart mobile-enabled applications help the insurer by bringing down the costs incurred at both the presale and the post-sale stage. This is done through operational accelerators that enable faster and more efficient processing of policy applications as well as claims requests.

**Enhanced Customer Experience –** As the insurance industry matures into a customer driven market, service quality has emerged as the biggest differentiator for organizations looking to gain competitive advantage. Mobility enables insurers to deliver superior, real-time customer services while keeping their operational expenses in check. This leads to increased policy renewals and enhanced agent/customer satisfaction.

I**mproved Operational Efficiency – ** Mobile technology driven operations provide insurers with swift and agile business processes with real-time performance measuring metrics. Right from the first point of customer contact to policy issuance and claims management, mobility can create smart and efficient business processes for the insurers.

*Mobility has triggered the next wave of business transformation by enabling anytime anywhere access to critical information*

# Key Trends and Best Practices

Customized information sharing combined with smart mobile apps for social collaboration will drive innovation in the insurance sector by supporting workers and processes. Three emerging trends will shape mobile collaboration strategies and investments in insurance enterprises:-

## Bring Your Own Device (BYOD)

The BYOD trend is steadily gaining momentum with most enterprises encouraging employees to use their personal devices for work activities. Besides being a huge cost saver it also enhances employee productivity significantly as they experience a far greater degree of flexibility with their personal Smartphones and Tablets than with the devices provided by the organization. The BYOD trend holds immense potential to transform business, enable agility and encourage innovative ways of interacting with customers and business partners.

Insurers must strive to strike a fine balance between the benefits accrued through BYOD and data centric security issues. The key is to approach BYOD holistically, responding to employee expectations without compromising on business and compliance requirements.

## Mobile Applications

Mobile applications will transform insurance field operations from a web-centric to an app-centric environment. Mobile apps simplify the complexity of elaborate IT systems, making them user-friendly and convenient. With mobile enabled email and file sharing capabilities already having proven their worth by improving employee productivity significantly, insurers can now look to create more advanced apps that enable their field force to drive enterprise wide collaboration. Some of the common apps for employee collaboration include:

- Real-time messaging (Text and voice)
- Document viewing, annotation and printing
- Cloud file synchronization and sharing
- Social connectivity and activity streams
- Business Intelligence and decision making

## Personal Cloud File Sync and Sharing

Real-time file synchronization and sharing capabilities will be used as enterprise tools for creating sustainable competitive advantage. Mechanisms to facilitate movement of large sized documents on mobile platforms will be the key to the success of mobile infrastructure.

Insurers will make sure agents are able to move heavy files such as documents, audio, pictures, and videos seamlessly across multiple mobile devices, PCs, network drives, and other storage repositories.

# ZapIn - Newgen's Enterprise Mobility Platform

Newgen's innovative Enterprise Mobility Platform, ZapIn, leverages Newgen's advanced imaging capabilities to ensure high quality document images and minimal size. The captured data and documents/images are transferred to back-office via a 4G/3G/GPRS/EDGE data connection, in real time. Further, the solution ensures First-Time-Right by enforcing business rules and logic so that all key information and documents are captured accurately and the process gets initiated instantly. ZapIn is available both on mobile phones and tablets.

ZapIn is highly secure, as it encrypts all data stored on the device and also that which gets transferred over the network. Only registered Mobiles/Tablets are allowed to communicate with the ZapIn server, ensuring safety and security of customer information.

## Key Features

- Advanced imaging capability for
  - Capturing high quality application forms and supporting document images
  - Creating highly compressed images for efficient network usage, ensuring faster transfer over mobile networks
  - Image enhancements
  - Barcode recognition

- Image Quality Analysis and auto correction for common image issues like skew, darkness, noise etc.
- Built-in checks and validations for key form fields
- User-friendly and fully configurable interface
- Easy integration with existing mobile solutions or can be used as stand-alone application
- End-to-end security including advanced access control, data encryption on device and digital signatures
- Supports Single/Bulk uploads
- Available for Android and iOS

## Benefits

Newgen's customer facing mobile application for the P&C insurance industry – ZapIn covers the depth and breadth of the claims management process on mobile platforms, enabling swift and efficient claims resolutions. Incident notifications, the claims adjudication process flow and ultimately settlement status updates to the customers, all happen on the Smartphone or Tablet with ZapIn.

ZapIn provides insurers a perfect combination of First-Time-Right reporting of incidents, operational efficiencies, enhanced resource productivity, and streamlined customer communications through a well designed framework with a mobile interface. For insurers this is a win-win situation, as they not only enjoy sustainable customer loyalties, but also create operational efficiencies by cutting down their costs and cycle times

The solution positively impacts the insurer's top and bottom line growth. Its unique business benefits can be broadly classified into the following:

**Enhanced Customer Experience –** Rapidly changing customer demographics indicate a greater customer preference for a mobile channel. ZapIn can help insurers improve customer satisfaction immensely by offering self-service solutions on their mobile devices. Manual data entry by customers, seen as an error-prone and cumbersome process, is eliminated.

**Reduced Claims Costs –** ZapIn lowers the processing costs of insurers significantly by enhancing their processing capacity through reduced cycle times. Adjusters can resolve a greater number of cases by receiving critical information when

they are in the field. Costs incurred due to fraudulent claims are also brought down significantly.

**Improved Operational Efficiency –** ZapIn standardizes the overall claims management process through real-time communication and collaboration. It improves the quality and quantity of data captured during the initial claims reporting, leading to accurate resolutions.

**Increased Revenue –** ZapIn empowers insurers' field force with anytime-anywhere access to information that ensures efficient lead management and increased sales opportunities. Operational efficiencies created through real-time processing of customer requests reduces sales cycle times providing scalablity to organizations.

# Newgen's Product Portfolio

## OmniFlow™

### Business Process Management Suite

OmniFlow is a platform-independent, scalable Business Process Management Suite (BPMS) that enables automation of organizational business processes. OmniFlow is designed to ease the creation, deployment, modification and management of Business Processes. Built using open technologies, it has seamless integration abilities allowing it to be introduced into any IT infrastructure.

## OmniDocs™

### Enterprise Content Management Suite

OmniDocs is an Enterprise Content Management (ECM) Suite for creating, capturing, managing, delivering and archiving large volumes of documents and content. OmniDocs manages Scanned Document Images, Electronic Documents and Emails as records. It also supports seamless integration with other enterprise applications.

## OmniOMS™

### Customer Communication Management

Newgen's Omni Output Management System (O2MS) delivers smarter and targeted communications for better customer experiences. It offers the capability of leveraging prime paper space for customer-centric inline advertisement and consolidation across multiple products. It enables secure communication on improved templates with rich designs and graphical representation of analytics across multiple distribution channels. In addition easy archival & retrieval of correspondences for presentment, and efficient customer request resolution are achieved using this enterprise application.

## OmniReports™

### Enterprise Reports Management and Archival

OmniReports stores trillions of computer-generated output pages and reports in a highly compressed form. It has a high-speed ingestion process with simple interactive definitions, enables instant access to terabytes of reports independent of business application, and is fully searchable at field/row/page levels. OmniReports is ideal for sun-setting of business applications as well as optimizing core system performance by purging historical reports.

## NewgenCloud Solutions

### Distributed Capture Solution

Newgen's cloud solutions, provides a process platform on cloud to the customers. Developed using Newgen's enterprise class Enterprise Content Management (ECM) & Business Process Management (BPM) suites it leverages the company's deep domain expertise and industry best practices to derive quick quantifiable business values to customers. The solutions are available on both public and private cloud to create dynamically scalable and highly reliable enterprise application.

## OmniExtract™

### Forms Processing Engine

OmniExtract is the data capturing solution which extracts business-critical information from image documents and forms. It can extract hand-printed/handwritten characters, optical marks, barcode, machine-printed characters and MICR fonts.

## IPS™

### Invoice Processing System

Newgen's Invoice Processing System, with automatic data verification and validation capability, is a solution for automatic data capture from semi-structured invoice documents. It also supports seamless integration with SAP and other ERP's.

## ChequeFlow™

### Image-Based Check Clearing & Payment

Newgen's ChequeFlow is an image based Cheque Processing solution for inward and outward clearing. Advanced and highly configurable sub-systems for Automatic Signature Verification, FOREX Cheque Processing, PDC Management, ECS/ACH mandates, add-ons for Cheque Deposit Machine/Kiosks.

## ComplianceManager™

### Governance, Risk & Compliance

Compliance Manager is an integrated solution for Governance, Risk and Compliance that's geared to ensure compliance with standards, best practices and guidelines of various regulatory acts.

## OmniScan™

### Production and Distributed Scanning Suite

OmniScan is a production scanning engine for document image capture. It enables scanning of different type of documents in different properties without human intervention using powerful scripts. The inbuilt export and integration feature allows using it as a scanning workstation with any Document Management and Workflow system.

## ZapIn

### Mobile Capture Application

ZapIn is a highly secure application that helps a banking executive on-the-move, to capture customer information and instantly initiate its processing at the back-office. ZapIn is available both on Mobile phones and Tablets. The key to the application is our advanced image processing that ensures high quality images and minimal size making it viable to be transferred over a GPRS/3G/4G networks.

## About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, and communication management capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries. Newgen unlocks simple with speed and agility.

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